

The Patient Protection and Affordable Care Act Fact Sheet

Immediate Benefits:

While health insurance reform will take roughly four years to be fully implemented, there are many new federal insurance regulations that will help individuals and businesses that take effect within six months, including:

- (1) **No lifetime limits on benefits:** this means that you can never use up your health insurance. You will be covered for the duration of your illness, regardless of the cost.
- (2) **Restricted annual limits on benefits:** this means that overly restrictive annual limits on coverage will be banned for certain plans so that Americans are not denied coverage on necessary care because they've reached their limit. Once the legislation is fully implemented, the use of annual limits on new plans in the individual market will be banned.
- (3) **Insurers cannot rescind coverage except in cases of fraud:** this means that the insurers' practice of covering people and accepting payment for insurance up until they actually need healthcare services and then finding erroneous reasons to cancel their policy are not allowed. Short of out-right fraud, the insurance you pay for cannot be rescinded.
- (4) **Certain preventive services and immunizations will be required to be covered:** this means that insurance companies can no longer pick and choose what preventive care they will pay for. People will no longer have to pay copays for preventive care.
- (5) **Children can remain on parent's health plan until age 26:** this is exactly what it sounds like.
- (6) **Children cannot be denied coverage on employment-based plans for preexisting conditions (this provision will apply to all people in 2014):** this means that all Americans, starting with children, will be able to purchase affordable health insurance regardless of their past health.

A new federal tax credit for small businesses will go into effect in 2010 to make employee coverage more affordable. Tax credits of up to 35 percent of premiums will be immediately available to firms that choose to offer coverage. The full credit will be available to firms with 10 or fewer employees with average annual wages of \$25,000, while firms with up to 25 or fewer employees and average annual wages of up to \$50,000 will also be eligible for the credit. Later, when the Exchanges are operational, tax credits will be up to 50 percent of premiums.

The legislation will provide a \$250 rebate starting in 2010 for the millions of seniors who are in the Medicare drug coverage gap (also known as the "donut hole") and pay for drugs out of pocket. This will save money for millions of seniors.

Within 90 days, a federal temporary high-risk pool for individuals who cannot obtain health insurance will be created and funded at \$5 billion. The federal government may operate the pool itself or contract with states, such as Oregon, that already operate a high-risk pool. This will ensure that people with pre-existing conditions are able to get coverage before the legislation is fully implemented.

Starting in 2010, the bill will strengthen the health care safety net by making an \$11 billion investment over five years in Community Health Centers to provide the funding needed to expand access to health care in communities where it is needed most.

Beyond 2010: The numbers

When fully implemented, the PPACA will extend affordable health coverage to 32 million Americans while reducing the deficit. The Congressional Budget Office estimates that within the first 10 years the PPACA will reduce the federal deficit by \$143 billion. The CBO goes one step further and says that deficit reduction in second ten years remains “in the broad range of one-half percent of GDP,” for a total of \$1.3 trillion in deficit reduction in the second ten years.